

IN RE: Application of National Telephone)
Communications, Inc. for a Certificate of) ORDER
Public Convenience and Necessity to Operate) APPROVING
as a Reseller of Telecommunications Services,) CERTIFICATE
including Debit Card Services, Within the)
State of South Carolina.)

The Commission's Executive Director instructed NTC to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of NTC's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. NTC complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was filed by the Consumer Advocate for the State of South Carolina (the Consumer

Advocate). Subsequently, the Consumer Advocate notified the Commission that it was satisfied that the Company's filing was consistent with prior dockets, and therefore, the Consumer Advocate would not participate in the scheduled hearing.

A hearing was commenced on May 3, 1995, at 10:30 a.m., in the Commission's Hearing Room. The Honorable Guy Butler, Vice Chairman, presided. NTC was represented by John F. Beach. Florence P. Belser, Staff Counsel, represented the Commission Staff.

William Savage, Director of Operations of NTC, appeared at the hearing and offered testimony in support of NTC's Application. Mr. Savage explained NTC's request for authority to provide interexchange telecommunications services in South Carolina as a non-facilities based reseller. Mr. Savage described NTC's services, its managerial, technical, and financial resources, and its marketing procedures. Mr. Savage also described NTC's debit card offering. Mr. Savage stated that NTC will provide its services in compliance with the Commission's rules and regulations.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. NTC is incorporated under the laws of the State of Nevada and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. NTC operates as a non-facilities based reseller of

interexchange services and wishes to provide its services in South Carolina.

3. NTC has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to NTC to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for NTC for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. NTC shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. NTC shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required,

for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1994).

4. NTC shall file its revised maximum tariff and an accompanying price list within thirty (30) days of the date of this Order. The revised tariff shall be consistent with the findings of this Order and shall include the revisions to which NTC agreed at the hearing. Further, the revised tariff shall be consistent with the Commission's Rules and Regulations. Also, the tariff shall be filed with the Commission in a loose-leaf binder.

5. NTC is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

7. NTC shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If NTC changes underlying carriers, it shall

notify the Commission in writing.

8. With regard to the origination and termination of toll calls within the same LATA, NTC shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

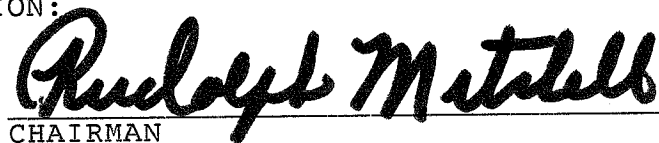
9. NTC shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

10. With regard to NTC's debit card, the Commission requires NTC to post a bond prior to receiving certification. Due to the nature of the service proposed by NTC where a subscriber must pay for services before the services are rendered, the Commission believes that it is in the public interest to require non-facilities based resellers with unstable to fair financial statements to post a bond for the protection of the subscribers in South Carolina until such time as the Company has had the opportunity to demonstrate its financial stability through its operations in this State. Therefore, the Commission requires as a condition precedent to NTC offering its debit card service in South Carolina that NTC post a bond with the Commission by delivering to the Commission Certificates of Deposit in the amount of Five Thousand (\$5,000.00) Dollars, and drawn in the name of the Public Service Commission of South Carolina. The Certificates of Deposit shall be drawn on federal or state chartered banks or savings and loan associations which maintain an office in this state and whose accounts are insured by either the Federal Deposit Insurance

Corporation or the Federal Savings and Loan Insurance Corporation. After twelve (12) months from the date of this Order, the Commission will review the Company's financial reports and operations and will reassess the requirement of NTC maintaining a bond.

11. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


CHAIRMAN

ATTEST:


Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S

COMPANY NAME

FEI NO.

ADDRESS

CITY, STATE, ZIP CODE

PHONE NUMBER

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

- (4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR
ENDING _____.

* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT
(SEE #3 ABOVE).

SIGNATURE

NAME (PLEASE TYPE OF PRINT)

TITLE